

**THE VIRGINIA BOARD OF ACCOUNTANCY**  
**DRAFT**  
**MEETING MINUTES**

The Virginia Board of Accountancy (Board) met on Wednesday April 30, 2008, in Board Room 3 of the Perimeter Center, 9960 Mayland Drive, Richmond, Virginia 23233.

The following Board members present for the entire meeting were:

Lawrence D. Samuel, CPA, Chairman  
Dian T. Calderone, MTX, CPA, Vice Chairman  
Stephen D. Holton, CPA, Immediate Past Chairman  
O. Whitfield Broome, Ph.D., CPA  
Regina P. Brayboy, MPA  
Tyrone E. Dickerson, CPA

The following Board members absent for the entire meeting were:

William E. Hunt, CPA

The Board staff members present for the entire meeting were:

Nancy Taylor Feldman, Executive Director/Agency Head  
Katherine Idrissi, Special Assistant to the Executive Director  
Dreana L. Gilliam, Licensing and Examination Coordinator

Also in attendance for the meeting was:

Cynthia H. Norwood, Assistant Attorney General

In attendance for a portion of the meeting were:

Stephanie Peters, President and CEO, Virginia Society of Certified Public Accountants  
Marshall A. Handy, CPA – Roger L. Handy, P.C.  
Maureen Dingus, Virginia Society of Certified Public Accountants  
Pamela Kamalakkannan, BOA  
Kathryn Pegram  
Lathalia Cypress  
Thomasina Cunningham  
Jim Holland  
Deborah Harris, Enforcement Specialist/Investigator  
Jean Grant, Enforcement Manager/Investigator  
Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants  
Rebecca McCoy, CPA, Vice Chair Virginia Society of Certified Public Accountants Board of Directors  
Jennifer Eggleston, Project Manager, Auditor of Public Accounts  
Karen Ashby, Auditor, Auditor of Public Accounts





**Katherine Idrissi**  
**Call to Order**

### Determination of Quorum

## **Approval of** **Agenda**

1:00 p.m. – 2:00 p.m.

7. Legislative/Regulatory - *Stephen D. Holton, CPA, Immediate Past Chairman*  
Comprehensive Review of Regulations  
Continuation of Legislative/Regulatory  
Status of NOIRA – Fee Adjustment  
Status of Final Regulation – Education Deadline of  
December 31, 2008  
Petition for Extension of Exam Deadline – Kathryn  
Pegram  
Petition for Regulatory Amendment for Inactive/Retired  
Status – Eric Strickler, CPA

8. Enforcement – *Dian T. Calderone, MTX, CPA,*  
*Committee Chair*

Consent Orders – Carol Wright and Don Benson  
Board Order – T. Steven Cawthorn  
Discussion:  
Procedures for Unintentional Unlicensed  
Activity  
Guidance Document for Confidential Consent  
Agreements (CCA)

2:00 – 3:30 p.m.

9. NASBA –

Nomination for Vice Chairman – Billy Atkinson,  
CPA  
Eastern Regional Meeting – Asheville, NC  
June 11-13, 2008  
ED Meeting Report  
Legal Counsel Meeting Report  
Fingerprinting Issue  
Discussion of NASBA- Future of the  
Exam Meeting/BOA Feedback May19,2008  
Governmental Agency Referral Task Force  
Committee Interest Form – Due May 1, 2008

3:30 – 3:45 p.m.

10. Request for Refund of Exam Fees

3:45 – 4:30 p.m.

11. Executive Summary – *Nancy T. Feldman,*  
*Executive Director*

ARMICS Report  
System Automation Licensing Project  
Report

Sign Conflict of Interests Forms  
Complete Travel Expense Vouchers

Adjournment

**\*Five-minute public comment, per person, on those items not included on the agenda.**

*Persons desiring to attend the meeting and requiring special accommodations/interpretive services should contact the Board Office at (804) 367-8505 or TDD (804) 367-9753 at least ten (10) days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Board fully complies with the Americans with Disabilities Act.*

Katherine Pegram, exam candidate petitioned members of the Board to reconsider the December 31, 2008 deadline for candidates to sit under the old regulation. Ms. Pegram's petition suggests permanent "grandfathering" of those candidates who sat prior to the regulation change. Ms. Pegram indicated that having to return to a college or university was not feasible for older exam candidates. Ms. Pegram petitioned the Board to only apply the 150 semester hour rule to incoming Uniform CPA Exam candidates.

**Public Comment**  
**Period**

Erin Collins, Government Affairs Director, Virginia Society of Certified Public Accountants thanked Board members Mr. Samuel and Dr. Broome for their attendance at the recently held CPA Inauguration event.

Marshall A. Handy, CPA was in attendance but did not address the Board during the public comment period.

The members agreed to move this item down on the agenda because Ms. Eggleston was not present at 9:05am.

**2007 APA  
Audit/Exit  
Interview –  
Jennifer  
Eggleston,  
Project Manager,  
Auditor of Public  
Accounts**

Upon a motion by Mr. Dickerson, and seconded by Ms. Calderone, the Board by unanimous vote approved the consent agenda, which included the minutes as amended from the Board meeting on December 12, 2007. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Holton, and Ms. Brayboy.

**1. Consent  
Agenda**

Upon a motion by Mr. Dickerson, and seconded by Ms. Calderone, the Board by unanimous vote approved the consent agenda, which included the minutes as amended from the Board meeting on January 8, 2008. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Holton, and Ms. Brayboy.

**2. Consent  
Agenda**

The members agreed to move this item down on the agenda because Mr. Mills was not present at 10:00am.

**3. Exam Issues –  
Craig Mills,  
Executive  
Director of the  
AICPA  
Examinations  
Team**

Mr. Samuel led the discussion regarding the Board Retreat scheduled for May 15, 2008. It was decided that the one day Retreat will be best served addressing long-term board issues. The meeting will be held at the Perimeter Center. Ms. Feldman and Ms. Calderone will attend the Special NASBA meeting regarding the Uniform CPA Exam on May 19, 2008. The next full board meeting is scheduled for June 18, 2008.

**4. Future  
Meeting Dates –  
Lawrence D.  
Samuel, CPA,  
Chairman**

Ms. Feldman led the discussion regarding the release of the address of record for CPAs licensed in the Commonwealth. The board must determine an action regarding this issue. A proactive stance to public protection would require individuals to make a FOIA request to obtain the information. However, FOIA makes the information provided by the board’s website “public information.” The information was previously posted on the board website but has since been removed due to technical difficulties. Advertising the address which only names the city and state – the street address is not provided is within FOIA guidelines.

**5. BOA Reports  
– Nancy T.  
Feldman,  
Executive  
Director**

Businesses requesting the information are charged \$40.00 for the listing.

Mr. Marshall Handy, CPA initially petitioned the board to review his concerns regarding the release of Address of Record was in attendance. Mr. Handy addressed the members of the board advising he did not feel the home addresses should not be listed unless the board is given permission by the licensee. A recent article highlights the potential repercussions of making such information available.

Ms. Norwood advised that the board can not disclose “personal information” however, if the address of record is a home address the board can display it.

Ms. Feldman advised CPAs may provide a P.O. Box in lieu of their home address.

Mr. Samuel recommends that Ms. Norwood and Ms. Feldman review “privacy” under the Commonwealth of Virginia regulations and clarify any issues for presentation at the June 18<sup>th</sup> meeting.

Ms. Gilliam led the discussion regarding completion of the 100 percent audit of the board’s registered firms. Physical inventories of 100 percent of the board’s portfolio were completed April 11, 2008. Upon completion of the review the following recommendations were made:

- Notification of firms identified as non-compliant currently in progress.
- Continued compliance reviews of all licensed firm permit holders.
- Revision of the initial correspondence notifying audit selection
- Partner with Emily P. Walker, Technical Services Manager, VSCPA to revise the BOA Peer Review Reporting Form.

Mr. Samuel requested members be provided with a copy of current Peer Review Reporting Form distributed to firm holders.

The members agreed to move this item down on the agenda.

Ms. Eggleston arrived at 9:35am and led the discussion regarding the completion of the board’s 2007 audit. The APA issued an unqualified opinion with no material weaknesses found. Several new auditing standards will begin in 2008.

**6. Peer Review  
Compliance and  
CPE Compliance  
Reports – Dreana  
Gilliam, BOA  
Compliance  
Manager**

**Jennifer  
Eggleston,  
Project Manager,  
Auditor of Public  
Accounts – 2007  
APA Audit/Exit  
Interview**

Ms. Ashby provided further detail into the audit. Some of the paperwork was minimal however, it was understood that the agency is in a transition period and very small. Recommendations were made to develop a more detailed Risk Assessment Plan, COOP Plan, and Disaster Recovery Plan. Ms. Ashby expects more detailed documentation for next year's audit in order to maintain the current rating.

Ms. Idrissi is well aware of the agencies needs and will keep in contact with the APA prior to the next audit.

Mr. Samuel advised the members this item will be discussed in depth at the upcoming Board Retreat.

The members agreed to move this item down on the agenda.

Mr. Mills led the discussion regarding the future of the Uniform CPA Exam. The AICPA Examinations Team has an exciting year ahead as they plan to meet with all Boards of Accountancy in an effort to develop stronger relationships, new content resulting from Practice Analysis, new features to address State Board and candidate concern. Revision of the exam including technical revisions will take place over the next five years. Looking forward, the AICPA plans to consider administering the test overseas.

**Craig Mills,**  
**Executive**  
**Director, AICPA**  
**Examinations**  
**Team**

The AICPA Board of Examiners (BOE) consists of sixteen members, thirteen are CPAs, two are Executive Directors, and two psychometricians. The BOE is supported by the Psychometric Oversight Committee.

The members agreed to discuss the petition for an extension of the exam deadline at this time because Ms. Pegram was present.

Dr. Broome led the discussion indicating the primary charge of the board is to protect the public. The exam candidates were given ample notice and therefore must meet the deadline. Dr. Broome acknowledged those candidates facing difficulties however, a deadline must be set.

**7. Legislative**  
**/Regulatory –**  
**Stephen D.**  
**Holton, CPA,**  
**Immediate Past**  
**Chairman**

Upon a motion by Dr. Broome, and seconded by Mr. Holton, the Board by unanimous vote approved the proposed regulation to establish the December 31, 2008 deadline for exam candidates to sit under the old regulation. The members voting “**AYE**” were Mr. Samuel, Mr. Dickerson, Ms. Calderone, and Ms. Brayboy.



The Board recessed from 12:00 p.m. - 12:30 p.m.

**Recess for Board Lunch**

Ms. Feldman led the discussion regarding the NASBA query of the approximately 4,000 exam candidates that began testing in the 70's and 80's and those who sat for the exam during 2006. All candidates that do not sit and pass all four parts by December 31, 2008 will have to re-qualify under the new regulation.

**Regulatory Review – cont'd.**

Ms. Feldman notified the members of the board that many states have reduced the education requirements from 150 semester hours to 120 semester hours. Mr. Samuel advised this item will be discussed at the upcoming Board Retreat.

Mr. Holton led the discussion regarding the comprehensive review of the regulations.

Upon a motion by Mr. Dickerson, and seconded by Ms. Calderone, the Board by unanimous vote approved the revised regulations as amended. The members voting “**AYE**” were Mr. Samuel, Dr. Broome, Mr. Holton, and Ms. Brayboy.

Ms. Feldman led the discussion regarding Mr. Strickler's petition for regulatory amendment for inactive/retired status. Mr. Samuel advised the members this item would be discussed in depth at the upcoming Board Retreat.

Due to their involvement with the following cases, Ms. Calderone and Mr. Dickerson left the room and did not participate in the discussion or vote.

Chairman Samuel informed the other members about their task. In the matter of **File Number 2007-U18 (Carol Wright), File Number 2007-D27 (Don Benson), and File Number 2007-U14 (T. Steven Cawthorn)** Ms. Wright, Mr. Benson, and Mr. Cawthorn were not present nor represented by counsel.

Ms. Grant provided an overview of the cases.

**8. Enforcement -**  
**Dian T.**  
**Calderone CPA,**  
**Committee**  
**Chairman**  
**Consent Orders:**  
**File Number**  
**2007-U18 (Carol**  
**Wright) File**  
**Number 2007-**  
**D27 (Don**  
**Benson)**  
**Board Order:**

File Number  
2007-U14 T.  
Steven  
Cawthorn)  
[Calderone and  
Dickerson]

Upon a motion by Dr. Broome, and seconded by Ms. Brayboy, the Board approved by unanimous vote that the meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of deliberating on open disciplinary proceedings within the jurisdiction of the Board as permitted by § 2.2-3711.A.28 of the *Code of Virginia*. The following non-members were in attendance to reasonably aid the consideration of the topic: Ms. Feldman, Ms. Idrissi, Ms. Grant, Ms. Norwood, Ms. Harris, and Ms. Gilliam. The members voting “**AYE**” were Mr. Samuel, Mr. Holton. Mr. Dickerson and Ms. Calderone were not present and did not vote.

**Begin Closed**  
**Meeting**

This motion was made with respect to the matters identified as agenda item: Consent Orders: File Number 2007-U18(Carol Wright/File Number 2007-D27 (Don Benson)

Board Order: File Number 2007-U14 (T. Steven Cawthorn)

Upon a motion by Dr. Broome, and seconded by Mr. Holton the Board approved by unanimous vote that the closed meeting, as authorized by § 2.2-3711.A.28 of the *Code of Virginia*, be adjourned and that the Board immediately reconvene in open public meeting. The members voting “**AYE**” were Mr. Samuel and Ms. Brayboy. Mr. Dickerson and Ms. Calderone were not present and did not vote.

**End Closed**  
**Meeting**

Upon a motion by Dr. Broome, and seconded by Mr. Hunt, the Board made the following certification:

WHEREAS, the Board of Accountancy has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712.A of the *Code of Virginia* requires a certification by this Board of Accountancy that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board of Accountancy hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Accountancy.

Mr. Dickerson and Ms. Calderone were notified the meeting was

reconvening as an open public meeting.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye  
Stephen D. Holton, CPA – Aye  
O. Whitfield Broome, Ph.D., CPA – Aye  
Regina P. Brayboy, MPA – Aye  
Dian T. Calderone, MTX, CPA – Not Present/No Vote  
Tyrone E. Dickerson, CPA – Not Present/No Vote  
William E. Hunt, CPA – Not Present/No Vote

VOTE:

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Ms. Calderone

ABSENT DURING MEETING: Mr. Hunt

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board by unanimous vote to accept the recommendations of the presiding officer.

CALL FOR VOTE:

Lawrence D. Samuel, CPA – Aye  
Stephen D. Holton, CPA – Aye  
O. Whitfield Broome, Ph.D., CPA – Aye  
Regina P. Brayboy, MPA – Aye  
Dian T. Calderone, MTX, CPA – Not Present/No Vote  
Tyrone E. Dickerson, CPA – Not Present/No Vote  
William E. Hunt, CPA – Not Present/No Vote

VOTE:

AYES: Four (4)

NAYS: None.

ABSENT DURING VOTE: Mr. Dickerson and Ms. Calderone

ABSENT DURING MEETING: Mr. Hunt

Ms. Calderone led the discussions regarding the Procedures for Unintentional Unlicensed Activity, Guidance Document for Confidential Consent Agreements (CCA), and the Cross Jurisdictional Boundary

**Procedures for**  
**Unintentional**  
**Unlicensed**

Investigations.

Ms. Calderone recommended that BOA staff handle enforcement steps regarding instances of unintentional unlicensed activity without an IFF or Enforcement Committee review. Ms. Calderone will revise the current procedures; members will review at the upcoming Board Retreat, and vote on the final draft during the June 18<sup>th</sup> meeting.

**Activity and  
Guidance  
Document for  
Confidential  
Consent  
Agreements  
(CCA)**

Ms. Calderone led the discussion regarding the implementation of Confidential Consent Agreements. Ms. Calderone indicated that due to the pending promulgation of the regulations, discussions regarding this topic would be put on hold until further notice.

Ms. Calderone advised NASBA recommends the base state should handle the investigation. No policy has been implemented at this time.

Upon a motion by Mr. Holton, and seconded by Dr. Broome, the Board by unanimous vote approved the NASBA recommendation. The members voting “**AYE**” were Mr. Samuel, Mr. Dickerson, Ms. Calderone, and Ms. Brayboy.

The members will discuss how to handle Virginia CPAs coming in from the border states of Maryland, District of Columbia, and North Carolina at the upcoming Board Retreat. No agreement has been made between the states at this time.

Ms. Feldman led the discussion regarding the Executive Directors Meeting. NASBA staff has increased 50% over the past few months and many of the new employees are executive directors and staff from various state boards. NASBA is currently trying to make certain they have funds available to ensure 100% attendance by state boards of accountancy at each NASBA meeting. NASBA staff presented a number of services available to the state boards of accountancy (CPETracking, etc.). NASBA indicated they would be willing to give the states a significant decrease in cost if they partnered together. Ms. Feldman plans to contact the District of Columbia and Maryland Boards for their input. NASBA continued to give excellent reasons for inclusion in the Accountancy Licensing Database. As soon as implementation of the System Automation Licensing Database is complete, VBOA will be onboard.

**ED Meeting  
Report**

Ms. Norwood led the discussions regarding the NASBA Legal Counsel and Mobility Task Force meetings. Only 4 states authorized mobility (Virginia, Ohio, Wisconsin, and Missouri). As of April 11, 2008, Maryland legislature voted to authorize mobility, raising the number to twenty states currently authorizing mobility. Thirty-two states have legislation either passed or introduced, and another 11 states have Boards of Accountancy that have voted to support mobility. Ms. Norwood has volunteered to be a member of the Implementation Workgroup to make sure that the Board of Accountancies in states with mobility do not create policies that conflict with the authorizing legislation or otherwise inhibit

**Legal Counsel  
Meeting Report**

mobility.

Dr. Broome led the discussion regarding the future of the exam. The AICPA and NASBA are currently partnering to implement succession planning and a task force to ensure the state boards are provided with the best professional licensing examination possible.

**Discussion of  
NASBA – Future  
of the Exam  
Meeting**

Ms. Feldman led the discussion regarding the NASBA fingerprinting policy. VBOA received correspondence from a candidate that refuses to provide her fingerprints and is requesting a refund of exam fees. Ms. Grant and Ms. Harris performed extensive research regarding licensing/fingerprinting requirements. Members agreed requests for refunds will be handled on a case by case basis.

**10. Request for  
Refund of Exam  
Fees – Nancy T.  
Feldman,  
Executive  
Director**

Ms. Idrissi led the discussion regarding ARMICS. VBOA has completed two phases for the price of one. VBOA staff made themselves readily available to ZELOS during the review of key controls. Testing was conducted on all key controls in March 2008 and no material weaknesses were identified. VBOA will not have to complete phase 3 (i.e., corrective action plan) because no material weaknesses were identified during phase 2.

**11. Executive  
Summary- Nancy  
T. Feldman,  
Executive  
Director**

Ms. Idrissi led the discussion regarding System Automation Licensing Project. Systems Automation has been determined to be the most effective software to support VBOA business functions. The professional services have been purchased, VBOA is partnering with DHP to host the software and act a project manger, VBOA will no longer require additional servers, and the kick-off meeting took place on May 1, 2008. The anticipated completion date is September 2008. The new program is very stable and will ensure autonomy of VBOA.

Chairman Samuel asked the members to complete and sign their conflict of interest forms and complete and sign their travel expense vouchers.

**Conflict of  
Interests Forms/  
Travel Expense  
Vouchers  
Adjournment**

There being no further business before the Board, upon a motion by, Mr. Samuel and seconded by Mr. Holton, the meeting was adjourned by unanimous vote. The members voting “**AYE**” were Dr. Broome, Ms. Brayboy, Ms. Calderone and Mr. Dickerson.

**APPROVED:**

---

Lawrence D. Samuel, CPA, Chairman

**COPY TESTE:**

---

Nancy Taylor Feldman, Executive Director/Agency Head